

# **TASTY BISCUITS TANZANIA LIMITED**

**BUSINESS PLAN  
FOR  
ESTABLISHMENT OF MANUFACTURING OF BISCUITS AND  
RELATED PRODUCTS**

## 1.0 INTRODUCTION

**TASTY BISCUITS TANZANIA LIMITED** is a privately owned company incorporated in Tanzania with Certificate of Incorporation No.173283431 dated 22th March 2024 which intend to venture into manufacturing of biscuits, confectionery and bakery related products, The Company will employ state of art technology.

### 1.1 PROJECT CONCEPT

The proposed project will involve expanding production of biscuits and other related products; the production lines will be located at **Plot No. 7 & 8, Vijibweni Area, Kigamboni Dar es Salaam region**, the company already identified modern and sophisticated machines and equipment from China and India. The company is targeting both domestic & international market. Proposed project intends to be engaged in confectionery factory, the products produced will be packed and distributed at affordable price, the project will employ adequately trained and experienced management and employees.

The business planed by **TASTY BISCUITS TANZANIA LIMITED**. A locally registered company, the project promoters are confident of mobilizing financial resources through equity contribution and loan financing locally and internationally.

This study will be used as guiding tool and will be presented to TIC for obtaining certificate of incentives to facilitate smooth implementation of the project.

## 1.2 LOCATION

The new project will be located at **Plot No. 7 & 8, Vijibweni Area, Kigamboni Dar es Salaam region.**

## 1.3 THE SPONSORS

**TASTY BISCUITS TANZANIA LIMITED** will be sponsoring this project.

The Company is currently jointly owned by two shareholders.

Share Holders	% of Share	Nationality
TAHERA RAJABALI DHARAMSI	51	
SHAIQ MUNAWAR RASHID	49	British

## 1.4 TASTY BISCUITS TANZANIA LIMITED PROJECT

The main business objectives is expanding confectionary project

## 1.5 OBJECTIVE OF THE STUDY

The purpose of this study is to work out the technical and commercial viability of the project

## 2.0 TANZANIA BISCUIT OVERVIEW

According to Volza's Tanzania Import data, Tanzania imported 2,985 shipments of Biscuits during Mar 2023 to Feb 2024 (TTM). These imports were supplied by 510 foreign exporters to 482 Tanzania buyers, marking a growth rate of -25% compared to the preceding twelve months. Within this period, in Feb 2024 alone, Tanzania imported 227 Biscuits shipments. This marks a year-on-year growth of -15% compared to Feb 2023, and a 1% sequential increase from Jan 2024.

Tanzania imports most of its Biscuits from India, United Arab Emirates, and China.

Globally, the top three importers of Biscuits are United States, Vietnam, and Namibia. United States leads the world in Biscuits imports with 168,083 shipments, followed by Vietnam with 49,273 shipments, and Namibia taking the third spot with 39,813 shipments.

## 2.1 **THE PRODUCT MARKET**

The market survey carried out reveals that the current demand for biscuits and other confectionery related products is high, current price of such products in domestic market as attracted the company to venture in this business

The competitive advantage of the company's products is quality produced and customer care services,

### **Facts in Brief**

- Biscuit Cream worth \$8,672,137 have been imported in Tanzania
- Average import price for biscuit cream in Tanzania was \$1.30.
- Most frequently used biscuit cream HS Code is 19053100
- There are 594 exporters of biscuit cream .
- There are 554 importers of biscuit cream .

## 2.2 **COMPETITION**

Currently there are many companies dealing with confectionery items, the big challenge for the above mentioned is quality, varieties

and price charged and customer service. It is very expensive and most of people cannot afford the price, and bad enough most of confectionery related products in the market are of low quality, the quality is questionable that why the **TASTY BISCUITS TANZANIA LIMITED** came in to fill the gap.

### 2.3 **SPECIAL STRENGTHS OF TASTY BISCUITS TANZANIA LIMITED.**

- The customer care provided by the company
- New technology used by the company
- Directors experience in FOOD business
- Experienced technical staff

### 2.4 **MARKETING STRATEGY**

According to expert, personal selling is the most effective method for marketing. In order to reduce sunk costs, the project will use various marketing strategies such as:

- Internet
- Specialized magazine, news paper
- Radio
- Television
- Posters
- Sponsorship etc.

The project products will be aggressively promoted to domestic market and skilled personnel will be recruited

## 2.4 **PRODUCT PRICING**

The pricing policy for the project will be based on the service cost and competition levels from substitute services available in Tanzania market considering various variables namely:

- Service positioning
- Gain market share from competitors
- Stimulating and increasing demand and

Achieving profitability and liquidity financial performance goals for the purpose of this business plan the average price is estimated to be USA\$ 8 per carton and 115200 cartons to be manufactured per year

## 2.5 **PRODUCTS**

Production facilities include ultra-modern, fully and semi-automatic production lines. Our production lines with their vast production capabilities operated by highly trained professionals will enable the company to satisfy the production requirements of our customers. The project will include the installation of a fully automated machines which to produce biscuit include biscotti, sandwich biscuits, digestive biscuits, ginger biscuits, shortbread biscuits, chocolate chip cookies, chocolate-coated marshmallow treats, Anzac biscuits, and specula as etc.

With a product range consisting of more than 30 varieties of quality products.

Our production facilities to be operated under strict hygienic conditions with all staff trained in safe food handling. Our certifications include: TBS.

Our product development department will continuously be innovating and moving forward with the latest consumer demands and trends.

### 3.0 **PROJECT MANAGEMENT AND MANPOWER REQUIREMENTS**

**TASTY BISCUITS TANZANIA LIMITED** will be under the Management with vast experience in managing various Food businesses; the project will be directly managed by The Managing Director will be assisted by two manager all together comprise the management team. 35 staff will be directly employed.

### 3.1 **MONITORING AND EVALUATION**

The Management has full commitment to ensuring goods produced maintain the safety and standards required in the market. The quality control unit will establish a system of routine checking and getting feedback from customers, management philosophy is through business process, managers will strive to ensure compliance to standards and safety of products and customers they serve.

### 3.2 **ENVIRONMENT PROTECTION**

The company intends to make environment friendly; the company will save the country's environment in particular and global environment in general.

#### 4.0 PROJECT INVESTMENT COST

The project is estimated at US Dollars **\$1,000,000** to cover for the acquisition modern machineries, equipment and motor vehicles. Breakdown of the total investment is as proved here below.

##### **TASTY BISCUITS TANZANIA LIMITED COST STRUCTURE US\$**

<b>PARTICULAR</b>	
Land and Buildings	100,000.00
Machinery & Equipment	400,000.00
Motor Vehicles	180,000.00
Furniture & Fixtures	5,000.00
Pre exp	10,000.00
Others	5,000.00
Working Capital	300,000.00
<b>TOTAL</b>	<b>1,000,000.00</b>

#### 4.1 INVESTMENT PATTERN

It is estimated that a total of US\$ **1,000,000** will be required over a period of five years of the project to acquire the various assets.

<b>Source</b>	<b>Value (\$)</b>
Equity	500,000
Loan	500,000
Total	1,000,000

#### 4.2 PROJECT IMPLEMENTATION

The project implementation is estimated to be carried out in a period of 18months from December 2024

## **5.0 ECONOMIC BENEFITS:**

The promoter's mission is to contribute maximum benefits to the society and economy at large. They and will continue creating good livelihood for their employees and their families and have a strong tax generation capability.

## **6.0 FINANCIAL ANALYSIS AND PROJECTIONS**

### **6.0 Financial Analysis**

#### **6.1 Considerations and Assumptions:**

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied, it is assumed to be 5% annual depreciation.

It is assumed that the major raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the food industry.

8 years financial projections have been worked out

#### **6.2 Projected Profit and Loss Statement**

The Income and Expenditure Statement shows the projected income for the 8 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ **225,820** in first year to US \$ **2,362,960** in the 8 year, refer appendix (I)

### 6.3 Projected Cash Flows

The project's cash flows depict a good liquid position right from the first year. Cash accumulation builds up from US \$ **287,220** in the first year to US \$ **2,093,059** at the end of 8 years of the project's operations, refer appendix (II)

### 6.4 Projected Balance Sheet

The company owners' equity increase from US \$ **500,000** at the end of first year to US \$ **2,301,859** at the end of 8<sup>th</sup> year which is significance increase as you can see, refer appendix (III)

### 6.5 Projected Risks

No major risks have been identified for this kind of project so far. Unless a change in the country's political and economic stability and global changes affect Food business.

### 6.6 Implementation Schedule

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction of serviced furnished apartment will be completed within two years: -

Project Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	November 2024
2	Processing Exemptions	December-February 2025
3	Mobilizing Fund	October -May 2025
3	Renovation of building	December -August 2025

4	Ordering Machines and other equipment	September -December 2025
5	Testing business and in-house training	December –March 2026
6	Commercial operations	April 2026

## **7.0 CONCLUSION & RECOMMENDATION**

### **7.1 CONCLUSION**

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 35 people.
- The project is an encouraging sign to prove that we have investors who have confidence with Tanzania and are ready to invest such large sums of investment.

### **7.2 RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.



## APPENDIX I

## TASTY BISCUITS TANZANIA LIMITED PROJECTED INCOME &amp; EXPENDITURE STATEMENT " US \$

	1	2	3	4	5	6	7	8
<b>Revenue</b>	768,000	806,400	846,720	889,056	933,509	980,184	1,029,193	1,080,653
<b>Operating Expenses:</b>	384,000	403,200	423,360	444,528	466,754	490,092	514,597	540,327
<b>Profit before Depreciation &amp;Interest</b>	384,000	403,200	423,360	444,528	466,754	490,092	514,597	540,327
<b>Interest</b>	40,000	32,000	24,000	16,000	8,000	0	0	0
<b>Depreciation</b>	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400
<b>Gross Profit</b>	322,600	349,800	377,960	407,128	437,354	468,692	493,197	518,927
<b>Tax (30%)</b>	96,780	104,940	113,388	122,138	131,206	140,608	147,959	155,678
<b>Profit After Tax</b>	225,820	244,860	264,572	284,990	306,148	328,084	345,238	363,249
<b>Accumulated Profit</b>	225,820	470,680	735,252	1,020,242	1,326,390	1,654,474	1,999,712	2,362,960

## APPENDIX II

## TASTY BISCUITS TANZANIA LIMITED PROJECTED CASH FLOW US\$

<b>SOURCES:</b>		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	<b>384,000</b>	<b>403,200</b>	<b>423,360</b>	<b>444,528</b>	<b>466,754</b>	490,092	514,597	540,327
Equity	500,000								
Loan	500,000								
<b>Total Sources</b>	<b>1,000,000</b>	<b>384,000</b>	<b>403,200</b>	<b>423,360</b>	<b>444,528</b>	<b>466,754</b>	<b>490,092</b>	<b>514,597</b>	<b>540,327</b>
<b>Applications:</b>									
Capital expenditure	690,000	-	-	-	-	-			
working Capital & Others	310,000								
Cash	-	287,220	298,260	309,972	322,390	335,548	349,484	(194,464)	384,649
Tax	-	96,780	104,940	113,388	122,138	131,206	140607.636	709060.356	155677.9687
<b>Sub total</b>	<b>1,000,000</b>	<b>384,000</b>	<b>403,200</b>	<b>423,360</b>	<b>444,528</b>	<b>466,754</b>	<b>490,092</b>	<b>514,597</b>	<b>540,327</b>
<b>Total applications</b>	<b>1,000,000</b>	<b>384,000</b>	<b>403,200</b>	<b>423,360</b>	<b>444,528</b>	<b>466,754</b>	<b>490,092</b>	<b>514,597</b>	<b>540,327</b>
Accumulated cash		287,220	585,480	895,452	1,217,842	1,553,390	1,902,874	1,708,411	2,093,059

## TASTY BISCUITS TANZANIA LIMITED PROJECTED BALANCE SHEET US \$

<b>Fixed Assets</b>	-	1	2	3	4	5	6	7	8
Opening balance	-	690,000	668,600	647,200	625,800	604,400	556,956	500,511	444,067
<b>Total Long-term Assets</b>	-	<b>690,000</b>	<b>668,600</b>	<b>647,200</b>	<b>625,800</b>	<b>604,400</b>	<b>556,956</b>	<b>500,511</b>	<b>444,067</b>
<b>Less depreciation</b>	-	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	21400	21400	21400
<b>Closing balance</b>	-	<b>668,600</b>	<b>647,200</b>	<b>625,800</b>	<b>604,400</b>	<b>583,000</b>	<b>535,556</b>	<b>479,111</b>	<b>422,667</b>
Working capital	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Accumulated cash	-	287,220	585,480	895,452	1,217,842	1,553,390	1,902,874	1,708,411	2,093,059
<b>Total assets</b>	<b>310,000</b>	<b>1,265,820</b>	<b>1,542,680</b>	<b>1,831,252</b>	<b>2,132,242</b>	<b>2,446,390</b>	<b>2,748,430</b>	<b>2,497,522</b>	<b>2,825,726</b>
Financed by									
Equity	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Accumulated profit	-	225,820	470,680	735,252	1,020,242	1,326,390	1,654,474	1,438,611	1,801,859
Total equity	500,000	725,820	970,680	1,235,252	1,520,242	1,826,390	2,154,474	1,938,611	2,301,859
Long term loan	500,000	400,000	300,000	200,000	100,000	-	-	0	0
<b>Total debts</b>	<b>500,000</b>	<b>400,000</b>	<b>300,000</b>	<b>200,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and debts</b>	<b>1,000,000</b>	<b>1,125,820</b>	<b>1,270,680</b>	<b>1,435,252</b>	<b>1,620,242</b>	<b>1,826,390</b>	<b>2,154,474</b>	<b>1,938,611</b>	<b>2,301,859</b>

**TASTY BISCUITS TANZANIA LIMITED PROJECTED LONG-TERM LOAN REPAYMENT US\$**

<b>Year</b>	<b>principle</b>	<b>Loan Interest (8%)</b>	<b>Total Amount Paid</b>	<b>Loan Balance</b>
1	100,000.00	40,000.00	140,000.00	500,000.00
2	100,000.00	32,000.00	132,000.00	400,000.00
3	100,000.00	24,000.00	124,000.00	300,000.00
4	100,000.00	16,000.00	116,000.00	200,000.00
5	100,000.00	8,000.00	108,000.00	100,000.00

## TASTY BISCUITS TANZANIA LIMITED COST STRUCTURE US\$

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	100,000.00
Machinery & Equipment	400,000.00
Motor Vehicles	180,000.00
Furniture & Fixtures	5,000.00
Pre exp	10,000.00
Others	5,000.00
Working Capital	300,000.00
<b>TOTAL</b>	<b>1,000,000.00</b>

## TASTY BISCUITS TANZANIA LIMITED FIXED ASSETS SCHEDULE (US\$)

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	100,000	98,000	96,000	94,000	92,000	90,000	88,000	86,000
Machinery, Tools & Equipment	400,000	396,000	392,000	388,000	384,000	380,000	376,000	372,000
Motor Vehicles	180,000	165,600	151,200	136,800	122,400	108,000	93,600	79,200
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000	5,000	4,000	3,000
<b>Total</b>	<b>690,000</b>	<b>668,600</b>	<b>647,200</b>	<b>625,800</b>	<b>604,400</b>	<b>583,000</b>	<b>561,600</b>	<b>540,200</b>
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>			
Land and buildings	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Machinery tools & Equipment	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Motor Vehicles	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>ANNUAL DEPRECIATION</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>